



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

**REGION IX**

**75 Hawthorne Street  
San Francisco, CA 94105-3901**

SFUND RECORDS CTR  
74744

May 12, 2000

Mr. Michael J. Berlien  
General Manager, La Puente Valley County Water District  
P.O. Box 3136  
La Puente, CA 91744

Dear Mr. Berlien:

Thank you for your recent letter to Felicia Marcus dated March 27, 2000, which further describes the problems that the La Puente Valley County Water District (the "District") has faced since the discovery of perchlorate, N-nitrosodimethylamine (NDMA), and other contaminants in its groundwater supply. Ms. Marcus asked me to respond to your letter. In your letter, you ask that EPA issue a Unilateral Administrative Order pursuant to Section 7003 of the Resource Conservation and Recovery Act to address perchlorate and other chemicals that have contaminated portions of the San Gabriel Valley groundwater basin and reached the District's wellfield. You ask that the Order require Aerojet Company and its parent company Gencorp to provide replacement water to the District.

My staff and I have considered the request made in your letter, and in previous letters to Senator Barbara Boxer, to the EPA Administrator Carol Browner, and to Wayne Praskins, the EPA project manager for the Baldwin Park cleanup. I understand some of the difficulties that the contamination has created for the District and its customers, and am personally involved in EPA's efforts to clean up the groundwater contamination and lessen the burden on local agencies affected by the contamination. We are doing our best to balance the sometimes competing needs of keeping the cleanup on schedule and helping to address the water supply and financial problems experienced by the District and other water agencies in the San Gabriel Basin.

At present, however, I think that negotiation, rather than orders or litigation, is the best means of getting the regional cleanup facilities constructed and resolving local water supply problems caused by the groundwater contamination. We had expected to conclude negotiations by now, but the number of interested parties and the range of issues has greatly complicated and lengthened negotiations. There are actually three sets of negotiations occurring simultaneously.

First, EPA and the State of California are negotiating directly with the "Potentially Responsible Parties" (PRPs) in an effort to translate the September 1999 "Good Faith Offer" into a binding commitment (in the form of a Federal Consent Decree), and to reach agreement on repayment of EPA and State past costs. The most difficult issues to resolve have been the end use of the treated groundwater, the role of the Main San Gabriel Basin Watermaster and water utilities in the cleanup, and repayment of EPA, State, and local funds spent on the cleanup. The PRPs have been designing the cleanup facilities while negotiations continue, allowing EPA to

continue negotiations longer than is usual in the Superfund process. We expect the design process to be complete by the end of 2000 and construction to begin immediately thereafter.

Second, the PRPs have been negotiating among themselves to allocate liability for cleanup costs and responsibility for carrying out the cleanup work.

Third, the PRPs and the Watermaster have been negotiating, with the help of an independent mediator, to resolve a number of issues important to local water utilities, including the use of existing water supply wells and treatment facilities (such as the District's); the technology to be used for perchlorate removal; the number of treatment facilities to be constructed; local involvement in design, construction and operation of the treatment facilities; funding of construction and operating costs (including the District's); the use of any public funds that may be available; and repayment of funds spent by the District and others to construct and operate treatment facilities. We assume that the Watermaster representatives are keeping you informed of progress in the negotiations. We understand that Aerojet has continued to pay one-half of the District's alternative water supply costs as negotiations continue.

In recent weeks, enough progress has been made to convince all sides that negotiations should continue into May. A negotiated settlement would offer advantages to all sides, although negotiations should continue only as long as a settlement appears likely. If negotiations bog down, EPA expects to issue orders to ensure that the cleanup proceeds, and is likely to sue to recover its past costs. Similarly, in the event that negotiations fail, I suggest that the District consider its options for recovering its costs. If you would like to discuss this letter, or the status of the Baldwin Park cleanup, please contact the EPA project manager, Wayne Praskins, at (415) 744-2256.

Sincerely,

A handwritten signature in dark ink, appearing to read "Keith Takata", followed by a horizontal line.

Keith Takata, Director  
Superfund Division